ASX ANNOUNCEMENT

23 February 2016

STRANDLINE
resources limited
ABN 32 090 603 642

POSITIVE SCOPING STUDY AT 100% OWNED ZIRCON-RICH FUNGONI PROJECT

Highlights

- Independent Scoping Study demonstrates potential for a simple, low CAPEX mineral sands operation to generate early cashflow on the very high grade Fungoni deposit, located near Dar es Salaam, Tanzania
- Fungoni complements the Company's core strategy to discover and develop large, world class mineral sands deposits along the Tanzanian coast
- Study completed by leading heavy mineral sands (HMS) specialists TZ Minerals International Pty Ltd (TZMI), in conjunction with engineering group Sedgman Limited
- Study based on an **Indicated Resource of 2.4 Mt containing 8.3% HM (of which 22% is zircon, 4% rutile and 44% ilmenite)**
- Output estimated at 20,000tpa of non-magnetic concentrate grading 60% zircon and 10% rutile plus 24,000tpa of chloride ilmenite (55-60% TiO_2). Testwork confirms the high quality and marketability of these products
- Modular plant design allows for easily transportable and scalable operations, giving the company the flexibility to quickly and cheaply relocate the plant to future high grade sources of HMS
- Key economic parameters in $US for the Base Case scenario include:

  Capital cost excluding working capital – $12.3m
  Average annual revenue – $15.3m
  Average annual operating cost – $8.1m
  Pre-tax internal rate of return – 26.5%

- Given the positive/low risk outcomes, Strandline plans to engage a high calibre engineering group and move directly to a Definitive Feasibility Study (DFS) seeking a mining decision by the end of 2016

Tom Eadie, Managing Director commented ***"Strandline's main focus is to find large world class mineral sands deposits within our dominant Tanzanian portfolio and there are many indications that we will accomplish this. Along the way, we expect to find smaller very high grade deposits that offer a low risk path to positive cashflow even in a low commodity price environment. Fungoni is the first such project. Its development is designed to be profitable and pay off the portable plant that can be moved to other similar high value resources.***

"Positive cashflow is only one benefit of the Fungoni development. Valuable Tanzanian operating experience will be gained, both for Strandline and the Tanzanian authorities. In addition, markets and marketing expertise will be established, which will be invaluable for future larger developments."

Cautionary Statement

The Scoping Study referred to in this report is based on low-level technical and economic assessments and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised.

Introduction

Strandline controls approximately 3,500 square kilometres of exploration tenure along the Tanzanian coastline covering most of the ground with potential for mineral sand accumulations. Strandline's main objective is to become the first major, profitable mineral sands producer in the country. There is large scale production in all nearby coastal countries including Kenya, Mozambique, Madagascar and South Africa.

While exploring for large world class deposits, smaller high grade resources have been discovered. Developed carefully with low capital expenditure and low operating costs, these deposits have the potential to contribute significantly to early cashflow. In addition, they can be used to gain essential experience in operating in Tanzania and to establish markets for end products. Fungoni is the first of these small high grade deposits that Strandline plans to mine. There are advanced exploration indications that several more resources of this type will be discovered in the necessary time frame.

The Scoping Study results are very positive given the current low-price environment for mineral sands' product. Given the zircon-rich nature of the deposit, the Company believes that the timing of fast-tracked production from Fungoni will benefit from the fact that Iluka will be suspending production from Jacinth-Ambrosia, the world's largest zircon mine, in order to sell from accumulated stockpiles. This is expected to be a positive influence on prices in the short to medium term. Testwork by Allied Mineral Laboratories as part of the TZMI studies indicates clean, coarse, easily separable mineral grains and has confirmed that the zircon, rutile and chloride ilmenite products are all of excellent quality and very marketable even in the current low commodity price environment.

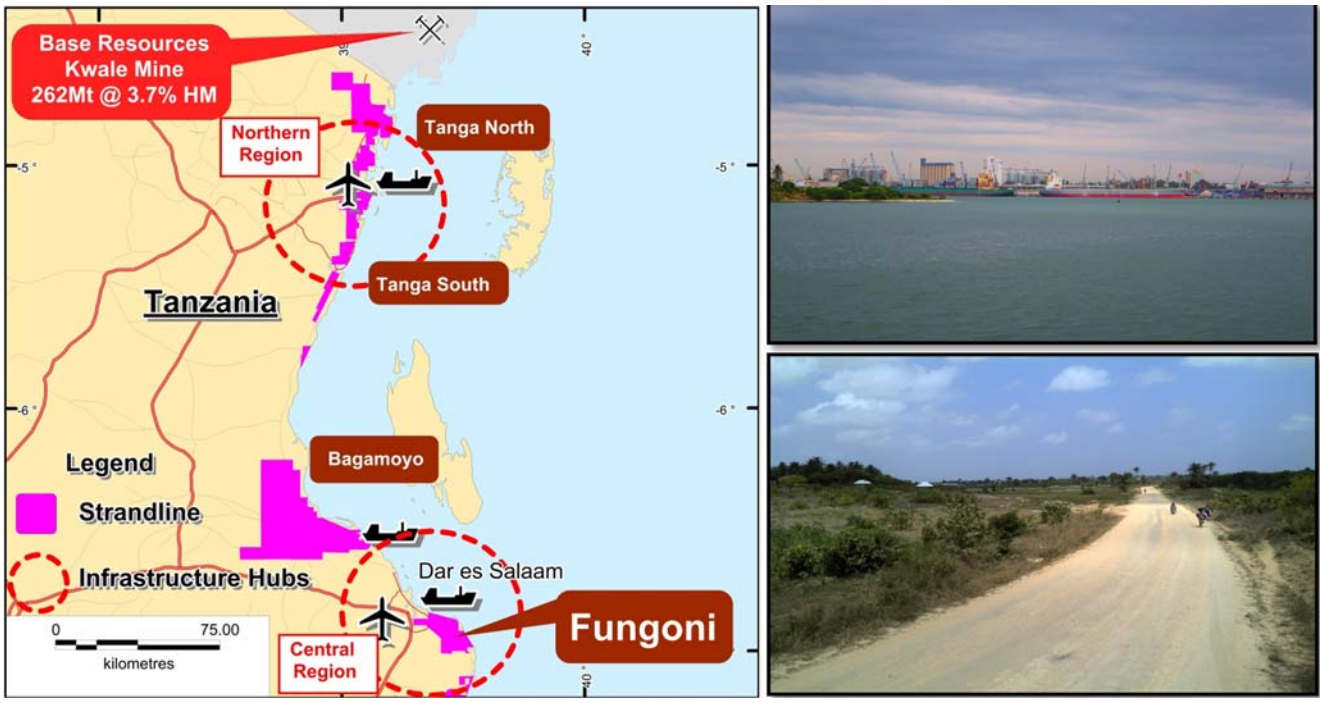

Figure 1: Fungoni Location in relation to Strandline's Central and Northern projects in Tanzania. Pictures show the major port of Dar es Salaam (top right) and the haul road near Fungoni which links the project area with Dar es Salaam (bottom right).

Fungoni Scoping Study Outcomes

TZ Minerals International (TZMI) has completed a Scoping Study for Strandline on the zircon-rich Fungoni Mineral Resource (Strandline 100%), located 25km southeast of the Dar es Salaam Port in Tanzania. Key highlights from the Fungoni Scoping Study include:

- Scoping Study based on **an Indicated Resource of of 2.4 Mt containing 8.3% HM (of which 22% is zircon, 4% rutile and 44% ilmenite)**. The Mineral Resource underpinning the production target was prepared by a competent person in accordance with the requirements in Appendix 5A (the JORC Code 2012 edition).
- Mine Life (Base Case): 3-4 years
- Conventional mineral sands processing
- Product Output estimated at:
    - 20,000tpa of non-magnetic concentrate grading 60% zircon and 10% rutile; plus
    - 24,000tpa of chloride ilmenite (55-60% TiO_2)
- Final products to be hauled on existing roads direct to the nearby port (30km) at Dar es Salaam
- Sedgman's modular processing plant design allows for easily transportable and scalable operations, giving the company the flexibility to quickly and cheaply relocate the plant to future high grade sources of HMS upon completion of mining at Fungoni
- Key economic parameters in $US for the Base Case scenario include:

    Capital cost excluding working capital – $12.3m
    Average annual revenue – $15.3m
    Average annual operating cost – $8.1m
    Pre-tax internal rate of return – 26.5%

- Access to existing infrastructure requirements of port, haul road, power and water
- TZMI's pricing forecasts, adjusted for the Fungoni products, were used for the revenue calculation.

TZMI is a recognised world expert in mineral sands. The Scoping Study was completed utilising information supplied by Strandline and TZMI's vast knowledge of the mining, processing, shipping and marketing of the various mineral sands products.

The modular and transportable processing plant was designed by Sedgman Limited, who have successfully delivered similar minerals processing plants on a global stage. The portability and scalability of this Sedgman plant, or any other plant that is recommended by the upcoming DFS, is a key issue for Strandline because of the potential short life of 3-4 years for the Fungoni project. Because the Fungoni mine life is projected to be so short, it is important to have the flexibility to move the plant to another deposit post Fungoni to help maximise its economic contribution to Strandline.

Table 1: Key Scoping Study Parameters and Assumptions

Parameter	Assumption	
Resource Category	Indicated Resource of 2.4Mt containing 8.3% HM	
Mining Method	Dry Mining	
Mining Rate	750,000tpa	
Life of Mine (LOM)	3.5 years	
Processing	ROM ore is screened, deslimed and then processed through a gravity based primary concentrator. The heavy mineral concentrate is then dried and processed through a magnetic separation circuit to produce an ilmenite and a rutile/zircon rich non-magnetic concentrate.	
Primary Concentrator Plant	Unit	Value
Rougher Spiral Feed Rate	Tph (dry)	70
HMC yield (% of feed)	%	5-10
HMC grade (% heavy mineral)	%	90-92
HM recovery to HMC	%	85-90
TiO_2 recovery to HMC	%	>90
ZrO_2 recovery to HMC	%	>95
Mineral Separation Plant Circuit - Primary Magnetic Separation	Unit	Value
MSP ilmenite recovery to ilmenite product	%	90-95
TiO_2 grade in ilmenite product	%	55-60
Zircon recovery to non-magnetic concentrate	%	90-95
Rutile recovery to non-magnetic concentrate	%	95
Product Output	20,000tpa of non-magnetic concentrate grading 60% zircon and 10% rutile	
	24,000tpa of chloride ilmenite (55-60% TiO_2)	
Operating Cost Estimate	**Cost Area**	**US$/t ore**
	Contract Mining	3.60
	Contract Services	1.27
	Labour	1.81
	Admin and Marketing	1.16
	Power	0.24
	Royalties	0.61
	Maintenance	0.80
	Dryer Fuel	0.18
	Sustaining CAPEX	0.20
	Other	0.98
	Total	**10.85**

Table 1: Key Scoping Study Parameters and Assumptions (continued)

Capital Cost Estimate (excludes working capital and owner's costs)	**Direct Costs by Area**	**US$**
	Port	866,690
	Primary Concentrator Plant	3,969,570
	Mineral Separation Plant	3,419,935
	Infrastructure	
	Bore Field	397,060
	Power Supply	528,940
	Plant and Equipment	421,390
	Site Buildings	857,800
	Roads and Site Establishment	1,320,185
	Weighbridge	135,280
	Site Services	394,885
	Mine Dewatering	30,210
	Total	**12,341,945**
Project Summary	**Unit**	**Value**
Capital Cost	US$ million	12.3
Average Annual Revenue	US$ million	15.3
Average Annual Operating Cost	US$ million	8.12
Pre-tax NPV (at 10% discount rate)	US$ million	4.28
Pre-tax IRR	%	26.5
Capital Payback Period	Years	2
Average Annual Free Cash Flow	US$ million pa	7.19

Figure 2: Primary wet table used in characterisation trials showing clean, coarse easily separable mineral grains

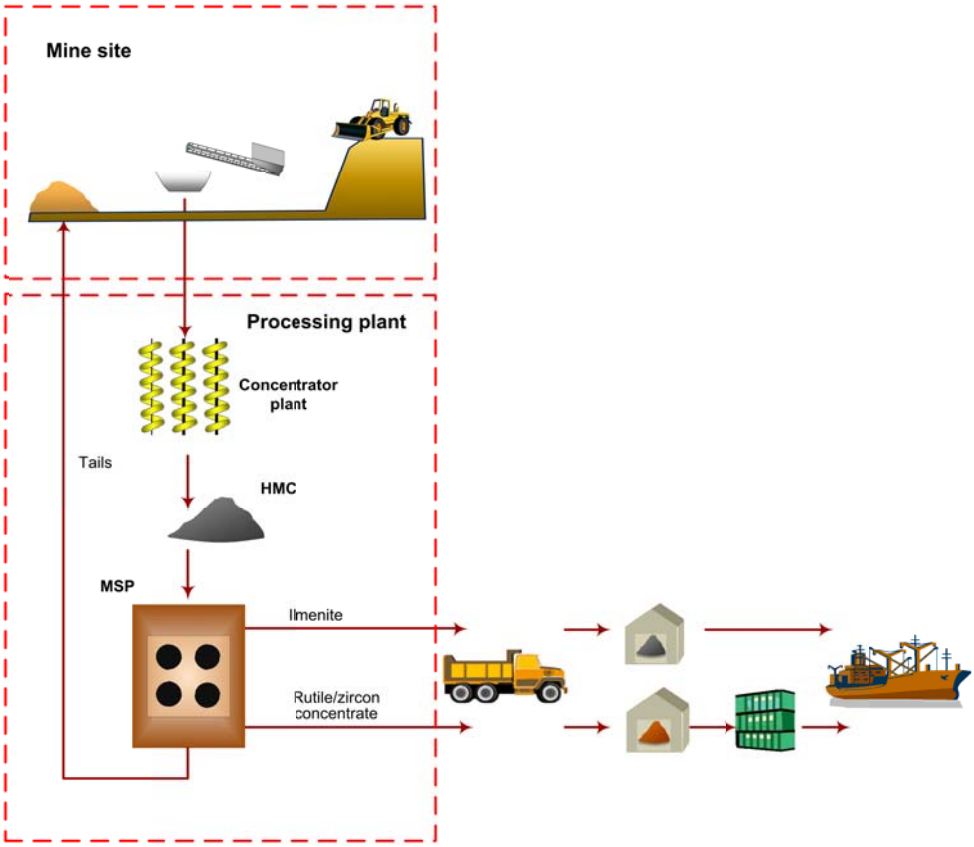

Figure 3: Proposed Simple Processing Flowchart

Fungoni Mineral Resources

Table 2: Fungoni Mineral Resource Estimate[1] at various HM cut-off

Cut-off Grade	Classification	Tonnes (Mt)	THM (%)	Slimes (%)	Oversize (%)	Zircon (%)	Rutile (%)	Ilmenite (%)
1.0% HM	Indicated	11	3.1	27.5	8.7	0.7	0.1	1.4
1.0% HM	Inferred	3	1.7	24.2	8.9	0.4	0.1	0.7
1.0% HM	**Total**	**14**	**2.8**	**26.8**	**8.8**	**0.6**	**0.1**	**1.2**
1.5% HM	Indicated	7	4.1	25.2	8.6	0.9	0.2	1.8
1.5% HM	Inferred	2	1.9	24.1	9.2	0.4	0.1	0.8
1.5% HM	**Total**	**10**	**3.6**	**25.0**	**8.7**	**0.8**	**0.1**	**1.6**
2.8% HM	**Indicated**	**2.4**	**8.3**	**20.8**	**7.1**	**1.8**	**0.4**	**3.7**

[1] This JORC 2012 compliant Mineral Resource Estimate was prepared by Rod Webster, Tracie Burrows and Kathy Zunica of AMC Consultants Pty Ltd on 29 April 2014 and was published by Jacana in its replacement prospectus dated 6 November 2014. The 2.8% cut-off figures were taken from the graphs in the AMC report and from TZMI analysis of the AMC block model.

Next Steps

The positive results of the Scoping Study, and the low risk, low capital expenditure of the project, suggest that Strandline should move immediately onto a Definitive Feasibility Study. Planning for the DFS has now started in conjunction with the necessary environmental and land use approvals.

Further Exploration Potential

There are several other potential exploration projects that could be developed after Fungoni such as 1) other zircon-rich resources in the general Fungoni area; 2) very high grade mineralisation noted on Mafia Island to the southeast of Fungoni and 3) high grade mineralisation drilled at Tanga South and Madimba.

Within the **Fungoni area**, Strandline has now received results from its recently completed auger drill programme located some 5km to the north west of the Fungoni Resource. Limited historic exploration identified anomalous heavy mineral sands and the Company has now auger drilled an area 3.5km long and 1.75km wide using 500m spaced lines with holes 250m apart (Figure 4). The newly discovered anomaly extends 2700m in length and has a width of 250 to 500m. The footprint of the high grade Fungoni Resource to the south is 1100m long and 200m wide. Significant results from the recent 2m deep auger holes include 2m @ 4.13% THM and 2m @ 2.13% THM. The Company is encouraged by the potential of the largely unexplored 30km by 15km coastal plain to the north and east of Fungoni for additional zones of mineralisation.

These exploration results will be followed up in the coming months with more sampling and mineralogical results.

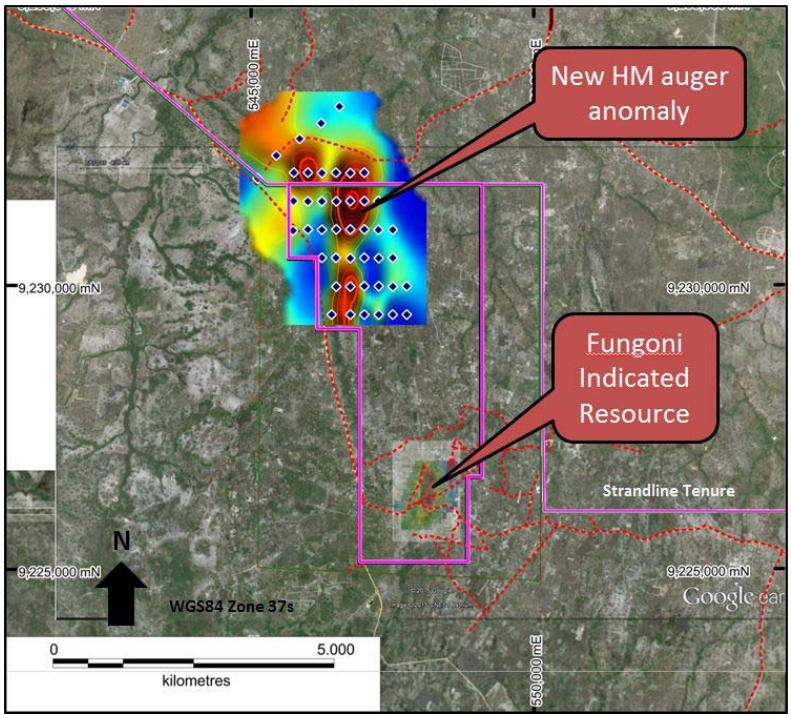

Figure 4. Auger drilling results north of Fungoni. Contours and hot colours indicate an area with 1 – 5% THM at surface.

Mafia Island, located 50km to the southeast of Fungoni, also has potential for small high grade resources that could be suitable for the next move of the mobile processing plant. As reported in previous ASX Releases, several zones of high grade, outcropping mineralisation have been located on the island. No drilling has yet been completed.

With the recent completion of the aircore drill program at **Madimba**, in southern Tanzania, and access to excellent power and port infrastructure at Mtwara, a rapid development plan using mobile processing equipment is also a possibility. Assay results for Madimba are pending.

As reported on 9 February 2016, two zones of significant mineralisation have been located in the **Tanga South** project in the north of the country. Initial indications are that these prospects will most likely be of sufficient size to warrant a larger, longer life development plan as opposed to a smaller mobile plant. Resource studies have commenced for the Tajiri and Tajiri North prospects.

New Project Generation in Tanzania

Low level project generation and exploration work has been initiated to utilise Strandline's geological knowledge and familiarity of exploring effectively in Tanzania. Target commodities include those which the Company believes have a strong demand both currently and into the future such as lithium, tantalum and cobalt.

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COMPETENT PERSON'S STATEMENT

The information in this report that relates to exploration results is based upon information compiled by Dr Mark Alvin, a consultant to Strandline. Dr Alvin is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Alvin consents to the inclusion in this release of the matters based on the information in the form and context in which they appear.

The information in this report that relates to mineral resources for Fungoni is based upon information compiled by Mr Tom Eadie, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Eadie, who is Managing Director of Strandline Resources, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Eadie consents to the inclusion in this release of the matters based on the information in the form and context in which they appear.

FORWARD LOOKING STATEMENTS

This report contains certain forward looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside of the control of Strandline. These risks, uncertainties and assumptions include commodity prices, currency fluctuations, economic and financial market conditions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay, approvals and cost estimates. Actual values, results or events may be materially different to those contained in this announcement. Given these uncertainties, readers are cautioned not to place reliance on forward looking statements. Any forward looking statements in this announcement reflect the views of Strandline only at the date of this announcement. Subject to any continuing obligations under applicable laws and ASX Listing Rules, Strandline does not undertake any obligation to update or revise any information or any of the forward looking statements in this announcement to reflect changes in events, conditions or circumstances on which any forward looking statements is based.

Appendix 1

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• The Auger drill spoil is collected as using 1m intervals and then homogenised and split by cone-and-quarter method at the drill site to a 5kg sample and bagged • The field samples are then taken back to the field camp for riffle spitting into smaller sub-sample sizes of 500g which are then sent to the laboratory for further sample size reduction and preparation for final analysis • A small cap of sand was scooped from each 1m interval for logging purposes. • The same cap is used for every interval logged and sampled • The standard sized cap sample is to ensure visual calibration is maintained for consistency in visual estimation of the mineral sands
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Auger drilling using a manual hole auger supplied from Dormer Engineering • Drill rods are 1m long • 62mm open hole drilling technique
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Auger drilling is considered to be an early stage relatively unsophisticated technique of drilling • It is open hole and drill recoveries are estimated according to the volume of drill spoils that forms around the holes. • No significant losses of sample were observed due to the shallow depths of drilling (<2m.) • A very small volume of water is added to the hole if the soils become too sandy to aid recovery of the sample • Auger drilling is stopped at 2m

Criteria	JORC Code explanation	Commentary
		• There is potential for contamination in open hole drilling techniques but sample bias is not likely due to the shallow drill hole depths
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• The 1m intervals were wet panned to obtain an estimate of the THM content and slimes • The 1m drill intervals were logged onto paper field sheets prior to updating into an excel spreadsheet. • The auger samples were logged for lithology, colour, grainsize, rounding, sorting, visual THM, slimes and any relevant comments - such as slope and vegetation
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The homogenized 1m drill spoil composites were quarter-coned onsite and then split in a field camp with a single layer riffle splitter to reduce sample size • A total of 500gm was deposited into calico bag with aluminium sample tag sent to the laboratory for analysis • The sample sizes were deemed suitable based on industry experience of the geologists involved • Of the 80 samples submitted for analysis it included 3 field duplicates and 1 standard
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The surface pan samples was not assayed • The wet panning provided an estimate of the THM content which was sufficient for the purpose of determining approximate concentrations of THM at an early stage Auger: • The individual 1m auger samples were assayed by DIAMANTINA LABORATORIES in Perth, Western Australia, and is considered the Primary laboratory • The aircore samples were analysed by heavy liquid separation for THM (-1mm to +45µm), Slimes (-45µm), Oversize (+1mm), Float (-1mm to +45µm) and a mass balance check • The laboratory used TBE – with density range between 2.92 and 2.96 g/ml as the dense liquid medium • This is an industry standard technique • DIAMANTINA completed its own internal QA/QC checks that included bulk

Criteria	JORC Code explanation	Commentary
		standards and laboratory duplicates every 20th sample prior to the results being released • The density medium was checked every morning and then after every 20 samples by volumetric flask • When each batch of samples is received from the laboratory a check is done on the duplicate and standard samples by an Independent Geologist to ensure they meet QA/QC logic rules regarding failure governed by the Laboratory Procedure • The adopted QA/QC protocols are acceptable for this stage exploratory test work
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• All results are checked by the Chief Geologist and the Principle consulting geologist • No twinned holes have been completed due to the early nature of the auger drilling technique • The data has been manually updated into a master spreadsheet which is appropriate for this early stage in the exploration program • Data is validated to ensure hole depths correlate with sample intervals, sample intervals have the correct thickness, and no sample intervals overlap
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Down holes surveys for shallow auger holes are not required. • A handheld GPS was used to identify the positions of the pan sample in the field • The handheld GPS has an accuracy of +/- 5m • The datum used is WGS Zone 37S • The accuracy of the locations is sufficient for this early stage exploration
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Grid spacing used for this Auger program was 500 x 250 • The 250m spaced Auger holes are sufficient to provide a moderate degree of geological and grade continuity within the top 2m • Closer spaced infill auger drilling will be undertaken at the appropriate stage of exploration to increase confidence • The data has not been used for resource estimation
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this*	• The Auger drilling was oriented perpendicular to the interpreted palaeo - coast line • Further information will be acquired to assist this interpretation with additional exploration programs

Criteria	JORC Code explanation	Commentary
	should be assessed and reported if material.	
Sample security	• *The measures taken to ensure sample security.*	• Auger samples remained in the custody of Company representatives until they were transported to Dar Es Salaam for final packaging and securing • The samples were then exported from Dar es Salaam using Deugro to Perth and delivered directly to the laboratory after quarantine assessment by Australian authorities. • The laboratory inspected the packages and did not report tampering of the samples.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been undertaken

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The exploration work was completed on tenements that are 100%owned by the Company in Tanzania through its acquisition of Jacana Resources in 2015 • The tenements from which surface or auger sampling has been mentioned in this release include PL 7499/2011 and PL 7754/2012 • All granted tenements had a four year term • Traditional landowners and Chiefs of the affected villages were supportive of the auger sampling program.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historic exploration work was completed by Tanganyika Gold in 1998 and 1999 • The Company has obtained the hardcopy reports and maps in relation to this information • The historic data comprises surface sampling, limited AC drilling and mapping • The historic results are not reportable under JORC 2012 • Jacana Resources has completed 8000m of resource definition drilling at Fungoni some 5km to the south of the auger sampling drill hole locations. A 2012 JORC compliant resources was estimated by AMC in April 2014 and comprised Indicated – 11.3mt @ 3.1% THM and Inferred – 3mt @ 1.7% THM for a combined total of 14mt@ 2.8% THM

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Two types of heavy mineral sand style are possible in Tanzania 1. Thin but high grade strandlines which may be related to marine or fluvial influences 2. Large but lower grade deposits related to windblown sands • The coastline of Tanzania is not well known for massive dunal systems such as those developed in Mozambique however some dunes are known to occur and cannot be discounted as an exploration model. Palaeo strandlines are more likely and will be related to ancient shorelines or terraces in a marine or fluvial setting. In Tanzania three terraces have been documented and include the Mtoni terrace (1-5m ASL), Tanga (20-40m ASL) and Sakura Terrace (40 to 60m ASL). Strandline mineral sand accumulations related to massive storm events are thought to be preserved at these terraces above the current sea level.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• See Appendix 2 for auger collar information.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Down hole widths are reported • The THM analysis interval data is presented in the Appendix 2
Relationship	• *These relationships are particularly important in the reporting of Exploration*	• Auger holes are thought to represent close to true thicknesses of the

Criteria	JORC Code explanation	Commentary
between mineralisation widths and intercept lengths	*Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	mineralisation • Downhole widths are reported
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Figures and plans are displayed in the main text
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All interval data is presented and available for review in Appendix 2
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No other material exploration information has been gathered by Strandline resources. • Historic mineral chemistry information for the area around Fungoni has shown the Ti content of the ilmenite to average 57% TiO2 • Historic mineral assemblage has shown the VHM at Fungoni contains 22% zircon, 4% rutile and 44% ilmenite combined rutile and zircon
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further work will include additional auger sampling, infill auger sampling • Should sufficient targets be generated an AC drill program would be implemented • Additional mineral and assemblage analysis will also be undertaken on suitable composite HM samples to determine valuable heavy mineral • As the project advances TiO2 and contaminant test work will also be undertaken • Satellite image acquisition and LIDAR radar imaging is also being considered

Appendix 2 – Drill Collar Information and Assay Results

Fungoni North Prospect

HOLE_ID	EAST	North	RL	DIP	AZIMUTH	AUGER INTERSECT
15FNAG01	545753	9232006	37	-90	360	2m @ 0.70 THM%
15FNAG02	546000	9232001	39	-90	360	**2m @ 1.96 THM%**
15FNAG03	546250	9231998	41	-90	360	2m @ 0.79 THM%
15FNAG04	546500	9232001	39	-90	360	2m @ 0.71 THM%
15FNAG05	546749	9231999	40	-90	360	2m @ 1.33 THM%
15FNAG06	547000	9232003	43	-90	360	2m @ 1.23 THM%
15FNAG07	547251	9231501	42	-90	360	2m @ 0.72 THM%
15FNAG08	546998	9231500	42	-90	360	2m @ 1.34 THM%
15FNAG09	546750	9231501	43	-90	360	**2m @ 4.12 THM%**
15FNAG10	546500	9231498	42	-90	360	2m @ 0.64 THM%
15FNAG11	546249	9231500	41	-90	360	2m @ 0.73 THM%
15FNAG12	545999	9231496	43	-90	360	2m @ 0.74 THM%
15FNAG13	545747	9231504	43	-90	360	2m @ 0.78 THM%
15FNAG14	545740	9230982	59	-90	360	2m @ 0.83 THM%
15FNAG15	545999	9231002	48	-90	360	2m @ 0.68 THM%
15FNAG16	546250	9230999	48	-90	360	2m @ 0.38 THM%
15FNAG17	546501	9231001	43	-90	360	2m @ 0.67 THM%
15FNAG18	546749	9231000	41	-90	360	**2m @ 1.79 THM%**
15FNAG19	547000	9231000	43	-90	360	2m @ 0.88 THM%
15FNAG20	547250	9230999	44	-90	360	2m @ 0.54 THM%
15FNAG21	547500	9230997	45	-90	360	2m @ 0.57 THM%
15FNAG22	546250	9230502	48	-90	360	2m @ 0.35 THM%
15FNAG23	546497	9230501	52	-90	360	2m @ 0.71 THM%
15FNAG24	546751	9230499	44	-90	360	2m @ 0.89 THM%
15FNAG25	546998	9230500	44	-90	360	2m @ 0.31 THM%
15FNAG26	547251	9230496	44	-90	360	2m @ 0.49 THM%
15FNAG27	547499	9230500	44	-90	360	2m @ 0.61 THM%
15FNAG28	547750	9230000	45	-90	360	2m @ 0.58 THM%
15FNAG29	547500	9229998	47	-90	360	2m @ 0.66 THM%
15FNAG30	547250	9230001	46	-90	360	2m @ 0.30 THM%
15FNAG31	546999	9230000	46	-90	360	2m @ 0.47 THM%
15FNAG32	546750	9229999	48	-90	360	**2m @ 2.13 THM%**
15FNAG33	546501	9229999	48	-90	360	2m @ 0.55 THM%
15FNAG34	546418	9229501	46	-90	360	2m @ 0.60 THM%
15FNAG35	546747	9229500	50	-90	360	2m @ 1.58 THM%
15FNAG36	547001	9229500	47	-90	360	2m @ 0.32 THM%
15FNAG37	547252	9229502	46	-90	360	2m @ 0.90 THM%
15FNAG38	547500	9229499	47	-90	360	2m @ 0.32 THM%
15FNAG39	547748	9229501	47	-90	360	2m @ 0.41 THM%
15FNAG40	545112	9231900	50	-90	360	2m @ 0.53 THM%

HOLE_ID	EAST	North	RL	DIP	AZIMUTH	AUGER INTERSECT
15FNAG41	545440	9232305	37	-90	360	2m @ 1.02 THM%
15FNAG42	545854	9232599	37	-90	360	2m @ 0.72 THM%
15FNAG43	546238	9232873	38	-90	360	2m @ 0.52 THM%
15FNAG44	546559	9233171	38	-90	360	2m @ 0.57 THM%

(NB Datum is WGS84 Zone 37s)